

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)
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UNION SAVINGS BANK)
Cincinnati, Ohio)
(OTS No. 08109))

Re: Order No. NE 04- 06

Date: *August 17, 2004*

STIPULATION AND CONSENT TO ISSUANCE OF
AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

This Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalties ("Stipulation"), which concerns the accompanying and above-referenced Order of Assessment of Civil Money Penalties (the "Order"), is submitted by **UNION SAVINGS BANK**, Cincinnati, Ohio (the "Savings Bank", OTS No. 08109), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director ("Regional Director").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed the Savings Bank that the OTS is of the opinion that grounds exist to initiate administrative proceedings against the Savings Bank pursuant to Section 8(i) of the Federal Deposit Insurance Act (the "FDIA"), 12 U.S.C. § 1818(i),¹ and Section 102 of the Flood Disaster Protection Act of 1973 (the "FDP Act"), 42 U.S.C. § 41012a(f), and

WHEREAS, the Savings Bank, desiring to cooperate with the OTS and to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) The Savings Bank is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, the Savings Bank is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

¹ All references in this Stipulation and in the Order are to the United States Code as amended.

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, the Savings Bank is subject to the authority of the OTS to initiate and maintain administrative civil money penalty assessment proceedings against it pursuant to 12 U.S.C. § 1818(i)(2).

(c) The Savings Bank is a "regulated lending institution" within the meaning of Section 3(a)(1) of the FDP Act, 42 U.S.C. § 4003(a)(10).

(d) The OTS is the "appropriate Federal entity for lending regulation" within the meaning of Section 3(a)(5) of the FDP Act, 42 U.S.C. § 4003(a)(5). For purposes of enforcing Section 102 of the FDP Act, 42 U.S.C. § 4012a, against a regulated lending institution that is a savings association, the OTS has jurisdiction over the Savings Bank and the subject matter addressed by the accompanying Order.

2. OTS Findings of Fact.

The Savings Bank, during the past four years, has failed to comply with the FDP Act, 42 U.S.C. §§ 4001-4128, and related OTS implementing regulations codified at 12 C.F.R. Part 572. Specifically, OTS finds that:

- The Savings Bank, on several occasions, made loans secured by property located in special flood hazard areas without obtaining flood insurance in conformity with the requirements of 12 C.F.R. § 572.3(a) (implementing 42 U.S.C. § 4012a(e));
- On numerous occasions, in connection with its origination of mortgage loans and home-equity lines of credit, the Savings Bank failed to complete, use and/or retain required Special Flood Hazard Determination Forms, which failure violated section 572.6 of the OTS's flood insurance regulations, 12 C.F.R. § 572.6; and
- On several occasions, the Savings Bank failed to comply with the OTS's flood insurance regulation at 12 C.F.R. § 572.9, requiring notices of special flood hazards and the availability of federal disaster relief assistance.

In view of the foregoing, the OTS has determined that it is appropriate to assess against the Savings Bank civil money penalties, as provided in the Order, pursuant to 42 U.S.C. § 4012a(f) and 12 U.S.C. § 1818(i)(2).

3. Consent.

(a) The Savings Bank hereby consents to the issuance by the OTS of the Order.

(b) The Savings Bank further agrees to comply with the terms of the Order upon its issuance. The Savings Bank further stipulates and agrees that the Order complies with all requirements of law, as applicable.

4. Finality.

The Order is issued by the OTS under the authority of Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2), and Sections 102(f)(1) and 102(f)(5) of the FDP Act, 42 U.S.C. §§ 4012a(f)(1) and 4012a(f)(5). Upon the issuance of the Order by the OTS, acting by and through its Regional Director for the Northeast Region (which term also shall refer to the Regional Director's authorized designees), the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i), and Section 102(f) of the FDP Act, 12 U.S.C. § 4012a(f).

5. Waivers.

The Savings Bank hereby waives the following:

- (i) The right to be served with a written notice of the OTS's charges;
- (ii) The right to an administrative hearing of the OTS's charges concerning the basis for issuance of the Order;
- (iii) The right to seek judicial review of either the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;
- (iv) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under federal statutes (*e.g.*, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise; and
- (v) The right to assert as the basis for a claim of double jeopardy (in any pending or future proceeding brought against the Savings Bank by any governmental entity including but not limited to the United States Department of Justice) the following: the OTS's issuance of the Order, administrative proceedings (if any) relative to the issuance of the Order, the Savings Bank's consent to issuance of the Order, and/or the payment of any monies or the provision of any other financial relief contemplated by the Order.

6. Other Government Actions Not Affected.

The Savings Bank acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Savings Bank that arise pursuant to this action or

otherwise, and that may be or have been brought by any other government entity other than the OTS.

7. Miscellaneous.

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) The Board of Directors of the Savings Bank has duly authorized the Savings Bank to execute this Stipulation, to consent to the Order, and to make payment of the civil money penalties assessed by the Order. The Savings Bank is submitting herewith a certified copy of said duly adopted board resolutions.

(c) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

(d) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

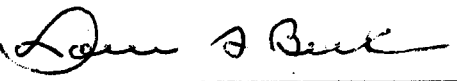
(e) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

(f) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative. The Order, however, will terminate automatically at 11:59 pm on the date on which the United States Government receives full payment of the civil money penalty assessed by the Order (in the manner required by the Order).

WHEREFORE, the Savings Bank executes this Stipulation, intending to be legally bound hereby.

UNION SAVINGS BANK

Accepted by:
OFFICE OF THRIFT SUPERVISION

By: 
Louis S. Beck
Chairman of the Board

By: 
Robert C. Albanese
Regional Director

Date: August 17, 2004

Date: See the date in the caption hereof

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

UNION SAVINGS BANK)

Cincinnati, Ohio)

(OTS No. 08109))

Order No. NE 04-06

Date: August 19, 2004

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, UNION SAVINGS BANK (the "Savings Bank"), Cincinnati, Ohio (OTS No. 08109), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Stipulation"); and

WHEREAS, the SAVINGS BANK, by its execution of the Stipulation has consented and agreed to the issuance of this ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2),¹ and Section 102(f) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(f).

NOW THEREFORE, IT IS ORDERED that:

1. **Assessment of Civil Money Penalties.** Within ten (10) calendar days of the date of this Order, the SAVINGS BANK shall pay the sum of Thirty Thousand Dollars (\$30,000.00), by tendering a certified check or bank draft made payable to the order of the "National Flood Insurance Program - Mitigation Fund". The Savings Bank shall deliver its payment (together with a copy of this Order and a cover letter) to:

Federal Emergency Management Agency
Attention: Financial Management Specialist
c/o NFIP Bureau and Statistical Agent
7700 Hubble Drive
Lanham, Maryland 20706.

¹ All references to the United States Code (U.S.C.) are as amended.

On the same date that the SAVINGS BANK makes payment of its obligations under this Order, it shall send a copy of the check/bank draft and related cover letter by first class mail and by fax to the OTS's Northeast Regional Office, at the following address and fax number:

OFFICE OF THRIFT SUPERVISION
Northeast Regional Office
Attention: Steven A. Rosenberg, Esq.
Harborside Financial Center Plaza Five
Suite 1600
Jersey City, New Jersey 07311

Fax Number: (201) 413-5863.

2. **Stipulation Incorporated.** The Stipulation is made a part hereof and is incorporated herein by this reference.

3. **Effectiveness of Order.** This Order is and shall become effective on the date it is issued (the "Effective Date"), as is shown in the caption hereof.

OFFICE OF THRIFT SUPERVISION

By: 
Robert C. Albanese
Regional Director, Northeast Region